Ras Al Khaimah National Insurance Company P.S.C.

Financial Statements
For the year ended 31 December 2024

Ras Al Khaimah National Insurance Company P.S.C.

Financial statements

For the year ended 31 December 2024

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RAK INSURANCE
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Ras Al Khaimah National Insurance Company P.S.C.

Directors' report for the year ended 31 December 2024

The Board of Directors has pleasure in submitting their report and the audited financial statements for the year ended 31 December 2024.

Incorporation and registered office

Ras Al Khaimah National Insurance Company P.S.C. ("RAK Insurance" or the "Company") was incorporated under an Emiri Decree Number 20/76 issued by HH Ruler of Ras Al Khaimah. The address of the registered office is RAK Insurance Head Office, 6th Floor RAK Bank ROC Office, Al Riffa, Ras Al Khaimah, United Arab Emirates.

Financial position and results

RAK Insurance earned a profit after tax of AED 15.4 million for the year ended 31 December 2024 as compared to a profit of AED 14.5 million for the year ended 31 December 2023 (the "Previous year"). This profit after tax of AED 15.4 million resulted in the Company's equity increasing from AED 159.6 million as at 31 December 2023 to AED 176.9 million as at 31 December 2024.

Basic earnings after tax per share is AED 0.13 for the year ended 31 December 2024 on a capital base of AED 121.3 million as compared to a earnings per share of AED 0.12 in the previous year on a capital base of AED 121.3 million.

On behalf of the Board of Directors of RAK Insurance, I would like to thank the executive management and staff for their dedication, commitment, and constant hard work. The Directors would also like to acknowledge our reinsurance partners, customers and all the stakeholders of the Company.

Yours faithfully,

Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman
22 January 2025

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Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ras Al Khaimah National Insurance Company P.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")*, together with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Insurance Contract Liabilities, Reinsurance Contract Assets and Liabilities	
As at 31 December 2024, the Company's insurance contract liabilities, reinsurance contract assets and liabilities are valued at AED 479.6 million, AED 231.6 million and AED 27.9 million respectively. Valuation of insurance contract liabilities, reinsurance contract assets and liabilities involves significant judgements and estimates particularly with respect to the estimation of the present value of future cash flows, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows. As a result of all the above factors, we consider valuation of insurance contract liabilities, reinsurance contract assets and liabilities as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: - Understood and evaluated the process, the design and implementation of controls in place to determine valuation of insurance contract liabilities, reinsurance contract assets and liabilities; - Assessment of the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - We independently reperformed the calculation to assess the mathematical accuracy of the insurance contract liabilities, reinsurance contract assets and liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; and - Evaluated and tested the calculation of the allowance for expected credit loss including the data, key assumptions and judgments used.

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Directors' Report* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and Federal Law No. (48) of 2023, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. 32 of 2021, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) The Company has maintained proper books of account in accordance with established accounting principles;

iv) The financial information included in the Directors' report is consistent with the books of account of the Company;

v) As disclosed in note 7 to the financial statements, the Company has not purchased or invested in shares during the year ended 31 December 2024;

vi) Note 24 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) Note 22 to the financial statements discloses the social contributions made during the year ended 31 December 2024; and

viii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.

Further, as required by the UAE Federal Law No. (48) of 2023, we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

GRANT THORNTON UAE

Dr. Osama El Bakry
Registration No: 935
Dubai, United Arab Emirates

22 January 2025

Ras Al Khaimah National Insurance Company P.S.C.

Statement of financial position
As at 31 December 2024

	Notes	2024 AED	2023 AED
Assets			
Property and equipment	5	**755,530**	484,750
Intangible assets	6	**3,736,938**	4,469,392
Financial assets	7	**222,517,680**	135,184,071
Statutory deposit	8	**10,000,000**	10,000,000
Reinsurance contract assets	9	**231,578,253**	176,312,486
Other receivables	10	**9,608,666**	4,525,555
Cash and cash equivalents	11	**117,508,265**	28,505,390
Deposits	12	**178,377,888**	243,951,776
Total assets		**774,083,220**	603,433,420
Equity and liabilities			
Equity			
Share capital	13	**121,275,000**	121,275,000
Statutory reserve	14	**52,754,029**	51,210,165
Voluntary reserve	14	**20,000,000**	20,000,000
Reinsurance reserve	14	**5,286,768**	3,895,720
Cumulative changes in fair value of FVTOCI investments		**(7,434,423)**	(9,324,865)
Accumulated losses		**(14,999,691)**	(27,503,418)
Total equity		**176,881,683**	159,552,602
Liabilities			
Provision for employees' end of service indemnity	15	**6,760,628**	6,345,883
Insurance contract liabilities	9	**479,593,598**	364,670,292
Reinsurance contract liabilities	9	**27,920,098**	1,398,256
Bank borrowings	16	**74,911,911**	59,380,752
Other payables	17	**6,340,729**	12,085,635
Deferred tax liability	18	**148,405**	-
Income tax payable		**1,526,168**	-
Total liabilities		**597,201,537**	443,880,818
Total equity and liabilities		**774,083,220**	603,433,420

These financial statements were authorised for issue on 22 January 2025 by the Board of Directors and signed on their behalf by:

Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman

Sanjeev Badyal
Chief Executive Officer

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of profit or loss
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Insurance revenue	9	**504,064,600**	464,373,179
Insurance service expenses	20	**(479,215,020)**	(419,664,889)
Insurance service result before reinsurance contracts held		**24,849,580**	44,708,290
Allocation of reinsurance premiums		**(214,684,180)**	(203,208,109)
Amounts recoverable from reinsurance for incurred claims		**201,124,906**	158,654,208
Net expenses from reinsurance contracts held		**(13,559,274)**	(44,553,901)
Insurance service result		**11,290,306**	154,389
Investment income - net	21	**16,601,479**	14,903,382
Insurance finance expense for insurance contracts issued	21	**(13,647,947)**	(10,309,987)
Reinsurance finance income for reinsurance contracts held	21	**13,292,903**	20,944,363
Net insurance finance (expense) / income		**(355,044)**	10,634,376
Other operating expenses	25	**(13,928,136)**	(14,286,553)
Other underwriting income	26	**3,317,640**	3,135,580
Profit for the year before tax		**16,926,245**	14,541,174
Income tax expense	19	**(1,487,606)**	-
Profit for the year after tax		**15,438,639**	14,541,174
Basic and diluted earnings after tax per share	23	**0.13**	0.12

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of comprehensive income
For the year ended 31 December 2024

	Note	2024 AED	2023 AED
Profit for the year after tax		**15,438,639**	14,541,174
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Net change in fair value of debt investments designated at FVTOCI – net of tax	7	**1,500,534**	4,166,202
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of equity investments designated at FVTOCI – net of tax	7	**389,908**	439,830
Capital reduction on equity investments		**-**	24,003
Total other comprehensive income for the year		**1,890,442**	4,630,035
Total Comprehensive Income for the year		**17,329,081**	19,171,209

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of changes in equity
For the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2023	121,275,000	49,756,048	20,000,000	2,802,615	(13,954,900)	(39,395,705)	140,483,058
Profit for the year	-	-	-	-	-	14,541,174	14,541,174
Other comprehensive income for the year	-	-	-	-	4,630,035	-	4,630,035
Total comprehensive income for the year	-	-	-	-	4,630,035	14,541,174	19,171,209
Transfer to reinsurance reserve	-	-	-	1,093,105	-	(1,093,105)	-
Transfer to statutory reserve	-	1,454,117	-	-	-	(1,454,117)	-
Capital reduction in equity investment	-	-	-	-	-	(101,665)	(101,665)
Balance at 31 December 2023	121,275,000	51,210,165	20,000,000	3,895,720	(9,324,865)	(27,503,418)	159,552,602
Balance at 1 January 2024	**121,275,000**	**51,210,165**	**20,000,000**	**3,895,720**	**(9,324,865)**	**(27,503,418)**	**159,552,602**
Profit for the year after tax	-	-	-	-	-	**15,438,639**	**15,438,639**
Other comprehensive income for the year	-	-	-	-	**1,890,442**	-	**1,890,442**
Total comprehensive income for the year	-	-	-	-	**1,890,442**	**15,438,639**	**17,329,081**
Transfer to reinsurance reserve	-	-	-	**1,391,048**	-	**(1,391,048)**	-
Transfer to statutory reserve	-	**1,543,864**	-	-	-	**(1,543,864)**	-
Balance at 31 December 2024	**121,275,000**	**52,754,029**	**20,000,000**	**5,286,768**	**(7,434,423)**	**(14,999,691)**	**176,881,683**

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year before tax		**16,926,245**	14,541,174
Adjustments for:			
Depreciation of property and equipment	5	**365,564**	709,468
Amortisation of intangible assets	6	**1,608,543**	1,514,318
Provision for expected credit loss		**3,829,670**	5,392,415
Provision for employees' end of service indemnity	15	**1,094,838**	1,256,087
Realised gain on disposal of financial asset at FVTPL equity investments		**-**	(864,540)
Realised gain on disposal of property and equipment		**(62,858)**	-
Write-off of property and equipment	5	**-**	219,872
Write-off of intangible assets	6	**-**	304,465
Amortisation of premium on FVTOCI debt investments	7	**(322,074)**	(4,172)
Interest income – net		**(16,521,505)**	(14,269,694)
Dividend income	21	**(216,396)**	(239,866)
Interest cost on bank borrowing		**999,439**	2,266,303
Impairment losses on financial asset at FVTOCI investments	21	**230,676**	479,118
Operating cash flows before changes in working capital		**7,932,142**	11,304,948
Changes in working capital:			
Reinsurance contract assets and liabilities – net		**(31,719,191)**	(51,576,757)
Insurance contract liabilities		**114,105,107**	33,935,426
Other receivables		**(3,409,155)**	(3,899,102)
Other payables		**(5,261,275)**	(1,587,671)
Net cash generated from/(used in) operations		**81,647,628**	(11,823,156)
Directors' remuneration paid		**(614,000)**	-
Employees' end of service indemnity paid		**(680,093)**	(1,166,963)
Interest paid on bank borrowings		**(869,070)**	(1,728,328)
Net cash generated from/(used in) operating activities		**79,484,465**	(14,718,447)
Cash flows from investing activities:			
Purchase of property and equipment	5	**(636,370)**	(142,475)
Proceeds from disposal of property and equipment		**62,906**	-
Purchase of intangible assets	6	**(876,089)**	(646,355)
Purchase of financial assets at FVTOCI	7	**(96,544,785)**	(24,637,947)
Purchase of financial assets at FVTPL	7	**-**	(2,518,040)
Proceeds from maturities of financial assets at FVTOCI	7	**11,282,338**	1,873,230
Proceeds from disposal of financial assets at FVTPL	7	**-**	3,382,580
Interest received		**17,560,239**	16,268,645
Dividend received		**216,396**	239,865
Maturities of fixed deposits with banks with original maturities greater than three months		**200,453,409**	209,257,876
Placements of fixed deposits with banks with original maturities greater than three months		**(137,530,793)**	(178,863,041)
Net cash (used in)/ generated from investing activities		**(6,012,749)**	24,214,338

The notes from 1 to 36 form an integral part of these financial statements.

Statement of cash flows (continued)
For the year ended 31 December 2024

	2024 AED	2023 AED
Cash flows from financing activity		
Increase in borrowings	**15,531,159**	9,380,752
Net cash generated from financing activity	**15,531,159**	9,380,752
Net increase in cash and cash equivalents	**89,002,875**	18,876,643
Cash and cash equivalents at beginning of the year	**28,505,390**	9,628,747
Cash and cash equivalents at end of the year	**117,508,265**	28,505,390

The notes from 1 to 36 form an integral part of these financial statements.

1 Legal status and activities

Ras Al Khaimah National Insurance Company P.S.C. (the "Company") is a public joint-stock company, established and incorporated in the Emirate of Ras Al Khaimah by Emiri decree No. 20/76 dated 26 October 1976. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the UAE, under registration number 7.

These financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (32) of 2021.

The Company is a subsidiary of National Bank of Ras Al Khaimah P.S.C. (the "Parent company") which is incorporated in the Emirate of Ras Al Khaimah, United Arab Emirates. The address of the Company's registered head office is P. O. Box 506, Ras Al Khaimah, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange, United Arab Emirates. The principal activity of the Company is to undertake all classes of insurance business including life assurance, saving and accumulation of funds. The Company operates through its head office in Ras Al Khaimah and branch offices in Ras Al Khaimah, Dubai, and Abu Dhabi.

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company's accounting year ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2024 is AED 1,487,606.

2 Application of new and revised International Financial Reporting Standards ("IFRS")

New and revised IFRSs and interpretations applied on the financial statements

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards did not have a material impact on these financial statements.

Standards issued but not yet effective

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

2 Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

Standards issued but not yet effective (continued)

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 Statement of compliance with IFRS

These financial statements are for the year ended 31 December 2024 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. (48) of 2023 concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income and financial assets carried at fair value through profit and loss which are carried at fair value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at fair value through profit and loss, other receivables, other payables, income tax payable and bank borrowings. The following balances would generally be classified as non-current: property and equipment, intangible assets, statutory deposit, deferred tax liability and provision for employees' end of service indemnity. The following balances are of mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities and deposits.

4 Material accounting policy information

Insurance Contracts

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

IFRS 17 replaced IFRS 4 Insurance Contracts for annual years on or after 1 January 2023.

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts, which are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company determines at what level of granularity it has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same Company without performing an individual contract assessment.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

(a) the beginning of the coverage period;
(b) the date when the first payment from the policyholder is due or actually received, if there is no due date; and
(c) when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

(a) a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
    i. the beginning of the coverage period of the group; and
    ii. the initial recognition of any underlying insurance contract;
(b) all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

(c) unless the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised. Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

(a) the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Contract boundary (continued)

(b) both of the following criteria are satisfied:

i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Measurement

The Premium Allocation Approach ("PAA") is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage ("LRC") is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

The Company uses the PAA for measuring contracts with a coverage period of one year or less. The Company is adopting the PAA measurement model for the measurement of LRC for all its insurance contracts and reinsurance contracts. This is principally based on the eligibility test for fulfillment cash flows and that coverage period for most contracts are one year or less. Some contracts have coverage period more than one year, but passed the eligibility test.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the Liability for Incurred Claims ("LIC"), comprising the fulfillment cash flows ("FCF") related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Measurement (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the period;
b. increased for broker fees paid in the period, if any; and
c. decreased for the expected amounts of ceding premiums and broker fees, if any, recognised as reinsurance expenses for the services received in the period recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non- performance.

Onerous contract

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. The loss component is remeasured at each subsequent reporting date.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Insurance expense

Insurance service expenses include the following:

- incurred claims for the period.
- other incurred directly attributable expenses.
- insurance acquisition cash flows expense.
- An element of time value of money of LIC for the period.

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers. Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

Insurance finance income or expenses and reissuance finance expense or income

Insurance finance income or expenses and reinsurance finance expense or income comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- interest accreted on the LIC & Assets of incurred claims ("AIC"); and
- the effect of changes in interest rates and other financial assumptions.

Interest income and expense

Interest income and expenses for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the statement of profit or loss.

Dividend income

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

4 Material accounting policy information (continued)

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Arab Emirates Dirham ("AED"), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within "Investment income".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Employee benefits

Defined contribution plan

UAE national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to UAE labour law no. 7 of 1999 and Federal Law No. (55) of 2023 on Pension and Social Security . The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions.

Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-UAE national employees in accordance with the UAE Labour Law and is calculated in line with the requirements of the UAE Labour Law.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividend is approved by the Company's shareholders.

4 Material accounting policy information (continued)

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any identified impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

	Years
Furniture and fixtures	4
Office equipment	4
Motor vehicles	4
Computer equipment	4

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Intangible assets comprise computer software and are reported at cost less accumulated amortisation and identified impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives considered in the calculation of amortisation is 5 - 10 years.

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

4 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

Leases

The Company leases various offices. Rental contracts are typically annually renewable with the option of termination during the contract year subject to serving relevant notice year.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4 Material accounting policy information (continued)

Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

All lease contracts of the Company meet above criteria of short-term leases.

Financial assets

Classification and measurement - Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

(i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

(ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);

(iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL. However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

a. the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and

b. the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

4 Material accounting policy information (continued)

Financial assets (continued)

Equity instruments at FVTOCI

Investments in equity instruments/funds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value of securities. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds but reclassified to retained earnings. The Company has designated all investments in equity instruments that are not held for trading as FVTOCI.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Debt instruments at amortised cost or at FVTOCI

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at FVTPL

Financial assets at FVTPL are:

(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowings for the proceeds received.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

4 Material accounting policy information (continued)

Borrowings (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are within the scope of IFRS 9 expected credit loss calculations for the assessment of impairment.

Fixed deposits

Fixed deposits are deposits held with banks with original maturities of more than three months, which are initially measured at fair value and subsequently measured at amortised cost. Fixed deposits are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

4 Material accounting policy information (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above in these financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of the expected credit loss ("ECL") allowance

The measurement of ECL is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance for debt instruments carried at amortised cost, FVTOCI investments, other receivables, bank balances and fixed deposits probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") and the historical loss experience per ageing bucket has the major impact on the credit loss allowance for Insurance and other receivables. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Insurance and reinsurance contracts

The Company applies the Premium Allocation Approach ("PAA") to simplify the measurement of insurance contracts. When measuring liabilities for incurred claims, the Company discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For insurance acquisition cashflows, the company is eligible and choose to recognise the payment as an expense immediately (coverage period of a year or less) for all acquisition cashflows except for commission expense which is capitalised.

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

4 Material accounting policy information (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Liability for incurred claims (continued)

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years		20 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Insurance contracts issued										
AED	**4.72%**	5.17%	**4.80%**	4.42%	**4.86%**	4.26%	**4.54%**	4.33%	**2.24%**	4.35%
Reinsurance contracts held										
AED	**4.72%**	5.17%	**4.80%**	4.42%	**4.86%**	4.26%	**4.54%**	4.33%	**2.24%**	4.35%

Risk adjustment for non-financial risk

The Company use Mack method or bootstrapping to determine its risk adjustment for non-financial risk. The bootstrap effectively allows the Company to measure the uncertainty about the amount and timing of the cash flows that arise from non-financial risk since bootstrapping the triangles aims to illustrate the variability of the paid claims.

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 80th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

5 Property and equipment

	Furniture and fixtures AED	Office equipment AED	Motor vehicles AED	Computer equipment AED	Total AED
Cost					
At 1 January 2023	3,046,442	1,203,175	401,556	5,644,390	10,295,563
Additions during the year	56,070	13,711	-	72694	142,475
Disposals during the year	-	-	-	(2,950)	(2,950)
Write offs during the year	(252,443)	(4,505)	-	(759,442)	(1,016,390)
At 31 December 2023	2,850,069	1,212,381	401,556	4,954,692	9,418,698
Additions during the year	-	-	**554,997**	**81,373**	**636,370**
Disposals during the year	-	-	**(401,556)**	**(8,277)**	**(409,833)**
Write offs during the year	**(354,860)**	**(249,630)**	-	**(112,631)**	**(717,121)**
At 31 December 2024	**2,495,209**	**962,751**	**554,997**	**4,915,157**	**8,928,114**
Accumulated depreciation					
At 1 January 2023	2,625,913	1,091,481	401,556	4,904,997	9,023,947
Charge for the year	255,509	66,467	-	387,492	709,468
Disposals during the year	-	-	-	(2,949)	(2,949)
Write offs during the year	(115,150)	(2,440)	-	(678,928)	(796,518)
At 31 December 2023	2,766,272	1,155,508	401,556	4,610,612	8,933,948
Charge for the year	**37,972**	**32,964**	**57,812**	**236,816**	**365,564**
Disposals during the year	-	-	**(401,553)**	**(8,274)**	**(409,827)**
Write offs during the year	**(354,848)**	**(249,629)**	-	**(112,624)**	**(717,101)**
At 31 December 2024	**2,449,396**	**938,843**	**57,815**	**4,726,530**	**8,172,584**
Net book value					
At 31 December 2024	**45,813**	**23,908**	**497,182**	**188,627**	**755,530**
At 31 December 2023	83,797	56,873	-	344,080	484,750

6 Intangible assets

	Computer software AED
Cost	
At 31 December 2022	15,595,372
Additions during the year	646,355
Written offs during the year	(1,329,490)
At 31 December 2023	14,912,237
Additions during the year	**876,089**
At 31 December 2024	**15,788,326**
Accumulated amortisation	
At 31 December 2022	9,953,552
Charge for the year	1,514,318
Written offs during the year	(1,025,025)
At 31 December 2023	1,0442,845
Charge for the year	**1,608,543**
At 31 December 2024	**12,051,388**
Carrying amount	
At 31 December 2024	**3,736,938**
At 31 December 2023	4,469,392

7 Financial assets

The Company's financial investments at the end of reporting year are detailed below:

	2024 AED	2023 AED
Investments at FVTOCI		
Quoted debt securities	**218,769,807**	131,536,348
Quoted equity securities	**4,033,534**	3,835,742
Allowance for expected credit loss	**(285,661)**	(188,019)
	222,517,680	135,184,071

The composition of financial investment split between inside the UAE and outside the UAE as at 31 December 2024 and 31 December 2023 is as follows:

	Inside UAE		Outside UAE		Total	
	2024 AED	2023 AED	**2024 AED**	2023 AED	**2024 AED**	2023 AED
FVTOCI:						
Quoted debt securities	**142,617,393**	63,981,291	**75,866,753**	67,367,038	**218,484,146**	131,348,329
Quoted equity securities	**4,033,534**	3,835,742	**-**	-	**4,033,534**	3,835,742
	146,650,927	67,817,033	**75,866,753**	67,367,038	**222,517,680**	135,184,071

FVTOCI investments comprise of quoted equity and debt securities within the G.C.C. region except one investment valued at AED 9.1 million as at 31 December 2024 (31 December 2023: AED 8.7 million) which is an investment outside the G.C.C. region. The Company has designated all investments in equity securities that are not held for trading as at FVTOCI. Debt securities carry an interest rate ranging from 1.75% to 7.75% per annum (31 December 2023: 1.75% to 6.75%) and they are redeemable at par from 2025 to 2035 (31 December 2023: 2024 to 2033) based on their maturity dates. There are no significant concentration of credit risk for debt securities and the carrying amount reflected above represents the Company's maximum exposure to credit risk for such assets.

The movement in the financial investments is as follows:

	FVTOCI debt AED	**FVTOCI equity AED**	**Total AED**
Balance at 1 January 2024	**131,348,329**	**3,835,742**	**135,184,071**
Additions during the year	**96,544,785**	**-**	**96,544,785**
Matured during the year	**(11,282,338)**	**-**	**(11,282,338)**
Net change in fair value	**1,648,938**	**428,470**	**2,077,408**
Impairment charges	**-**	**(230,678)**	**(230,678)**
Amortisation of premium on FVTOCI debt investments to profit or loss	**322,074**	**-**	**322,074**
Allowance for expected credit loss	**(97,642)**	**-**	**(97,642)**
Balance at 31 December 2024	**218,484,146**	**4,033,534**	**222,517,680**

7 Financial assets (continued)

	FVTOCI debt AED	FVTOCI equity AED	Total AED
Balance at 1 January 2023	106,416,035	1,994,312	108,410,347
Additions during the year	22,679,567	1,958,380	24,637,947
Matured during the year	(1,873,230)	-	(1,873,230)
Net change in fair value	4,166,202	439,830	4,606,032
Capital reduction in equity	-	(77,662)	(77,662)
Impairment charges	-	(479,118)	(479,118)
Amortisation of premium on FVTOCI debt investments to profit or loss	4,172	-	4,172
Allowance for expected credit loss	(44,417)	-	(44,417)
Balance at 31 December 2023	131,348,329	3,835,742	135,184,071

Details of provision for expected credit loss were as follows:

	2024 AED	2023 AED
Balance at the beginning of the year	**188,019**	143,604
Provision for expected credit loss during the year	**97,642**	44,415
Balance at the end of the year	**285,661**	188,019

There were no reclassifications between financial investment categories during 2024 and 2023.

All the investments in scope of the expected credit loss model are in stage 1.

8 Statutory deposit

A deposit of AED 10 million (31 December 2023: AED 10 million) has been placed with a local bank (the "Bank"), in accordance with Article (42) of the Federal Law No. (48) of 2023. This deposit has been pledged to the Bank as security against a guarantee issued by the Bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the CBUAE and bears an interest rate of 5.15% per annum (31 December 2023: 5.15% per annum).

9 Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	31 December 2024			31 December 2023		
	Assets AED	**Liabilities AED**	**Net AED**	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	**-**	**(108,675,562)**	**(108,675,562)**	-	(148,209,844)	(148,209,844)
General and Motor	**-**	**(370,918,036)**	**(370,918,036)**	-	(216,460,448)	(216,460,448)
Total insurance contracts issued	**-**	**(479,593,598)**	**(479,593,598)**	-	(364,670,292)	(364,670,292)
Reinsurance contracts held						
Life and Medical	**51,708,098**	**(26,787,062)**	**24,921,036**	75,255,080	-	75,255,080
General and Motor	**179,870,155**	**(1,133,036)**	**178,737,119**	101,057,406	(1,398,256)	99,659,150
Total reinsurance contracts held	**231,578,253**	**(27,920,098)**	**203,658,155**	176,312,486	(1,398,256)	174,914,230

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life and Medical and General and Motor. This disaggregation has been determined based on how the company is managed.

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

9 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

2024

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311	364,670,292
Insurance revenue	(289,534,391)	-	-	-	(214,530,209)	-	-	-	(504,064,600)
Insurance service expenses	31,040,203	(5,094,149)	183,845,659	(1,079,798)	52,622,454	4,226,867	215,124,620	(1,470,836)	479,215,020
Incurred claims and other expenses	-	-	240,766,075	6,553,592	-	-	303,505,279	13,447,539	564,272,485
Amortisation of insurance acquisition cash flows	31,040,203	-	-	-	52,622,454	-	-	-	83,662,657
(Reversal)/losses on onerous contracts	-	(5,094,149)	-	-	-	4,226,867	-	-	(867,282)
Changes to liabilities for incurred claims	-	-	(56,920,416)	(7,633,390)	-	-	(88,380,659)	(14,918,375)	(167,852,840)
Insurance service result	(258,494,188)	(5,094,149)	183,845,659	(1,079,798)	(161,907,755)	4,226,867	215,124,620	(1,470,836)	(24,849,580)
Insurance finance expenses	-	-	3,117,215	146,908	-	-	9,719,102	664,722	13,647,947
Total changes in the statement of comprehensive income	(258,494,188)	(5,094,149)	186,962,874	(932,890)	(161,907,755)	4,226,867	224,843,722	(806,114)	(11,201,633)
Cash flows									
Premiums received	297,860,716	-	-	-	276,320,761	-	-	-	574,181,477
Claims and other expenses paid	-	-	(218,097,700)	-	-	-	(136,652,410)	-	(354,750,110)
Insurance acquisition cash flows paid	(41,738,945)	-	-	-	(51,567,483)	-	-	-	(93,306,428)
Total cash flows	256,121,771	-	(218,097,700)	-	224,753,278	-	(136,652,410)	-	126,124,939
Net insurance contract liabilities as at 31 December	31,980,781	1,267,568	73,187,607	2,239,606	110,402,718	4,226,867	246,579,254	9,709,197	479,593,598

9 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

2023	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	59,066,072	427,931	87,122,767	2,418,152	46,581,835	5,267,649	121,587,398	7,411,745	329,883,549
Insurance revenue	(304,305,933)	-	-	-	(160,067,246)	-	-	-	(464,373,179)
Insurance service expenses	36,078,905	5,933,786	243,888,328	591,011	38,565,009	(5,267,649)	97,005,442	2,645,866	419,440,698
Incurred claims and other expenses	-	-	284,067,660	6,877,416	-	-	136,847,753	6,157,724	433,950,553
Amortisation of insurance acquisition cash flows	36,078,905	-	-	-	38,565,009	-	-	-	74,643,914
Losses/(reversal) on onerous contracts	-	5,933,786	-	-	-	(5,267,649)	-	-	666,137
Changes to liabilities for incurred claims	-	-	(40,179,332)	(6,286,405)	-	-	(39,842,311)	(3,511,858)	(89,819,906)
Insurance service result	(268,227,028)	5,933,786	243,888,328	591,011	(121,502,237)	(5,267,649)	97,005,442	2,645,866	(44,932,481)
Insurance finance expenses	-	-	3,344,771	163,333	-	-	6,344,183	457,700	10,309,987
Total changes in the statement of comprehensive income	(268,227,028)	5,933,786	247,233,099	754,344	(121,502,237)	(5,267,649)	103,349,625	3,103,566	(34,622,494)
Cash flows									
Premiums received	277,097,657	-	-	-	164,078,365	-	-	-	441,176,022
Claims and other expenses paid	-	-	(230,033,433)	-	-	-	(66,549,081)	-	(296,582,514)
Insurance acquisition cash flows paid	(33,583,503)	-	-	-	(41,600,768)	-	-	-	(75,184,271)
Total cash flows	243,514,154	-	(230,033,433)	-	122,477,597	-	(66,549,081)	-	69,409,237
Net insurance contract liabilities as at 31 December	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311	364,670,292

9 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

2024	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 1 January	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract (liabilities)/assets as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Allocation of reinsurance premiums	(115,741,938)	-	-	-	(98,942,242)	-	-	-	(214,684,180)
Amounts recoverable from reinsurers for incurred claims	-	(2,576,704)	87,675,279	(720,406)	-	798,260	117,524,500	(1,576,023)	201,124,906
Amounts recoverable for incurred claims and other expenses	-	-	109,889,759	3,915,404	-	-	179,307,296	9,330,445	302,442,904
(Losses)/recovery on onerous underlying contracts and adjustments	-	(2,576,704)	-	-	-	798,260	-	-	(1,778,444)
Changes to amounts recoverable for incurred claims	-	-	(22,214,480)	(4,635,810)	-	-	(61,782,796)	(10,906,468)	(99,539,554)
Net income or expense from reinsurance contracts held	(115,741,938)	(2,576,704)	87,675,279	(720,406)	(98,942,242)	798,260	117,524,500	(1,576,023)	(13,559,274)
Reinsurance finance income	-	-	5,386,133	91,323	-	-	8,248,630	527,776	14,253,862
Effect of changes in non-performance risk of reinsurers	-	-	(3,294,350)	-	-	-	2,333,391	-	(960,959)
Total changes in the statement of comprehensive income	(115,741,938)	(2,576,704)	89,767,062	(629,083)	(98,942,242)	798,260	128,106,521	(1,048,247)	(266,371)
Cash flows									
Premiums paid	119,599,168	-	-	-	116,808,511	-	-	-	236,407,679
Amounts received	-	-	(140,752,549)	-	-	-	(66,644,834)	-	(207,397,383)
Total cash flows	119,599,168	-	(140,752,549)	-	116,808,511	-	(66,644,834)	-	29,010,296
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155
Reinsurance contract assets as at 31 December	(43,993,342)	833,320	94,147,491	720,629	(29,648,118)	797,122	201,654,131	7,067,020	231,578,253
Reinsurance contract liabilities as at 31 December	(49,883,700)	-	22,362,677	733,961	(3,248,911)	1,138	2,015,246	99,491	(27,920,098)
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155

9 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

2023	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(176,792,989)	346,066	223,719,817	1,316,637	(57,545,527)	1,676,865	149,459,094	4,684,407	146,864,370
Reinsurance contract liabilities as at 1 January	-	-	-	-	(127,655,881)	3,532	105,556,224	1,120,325	(20,975,800)
Net reinsurance contract assets/(liabilities) as at 1 January	(176,792,989)	346,066	223,719,817	1,316,637	(185,201,408)	1,680,397	255,015,318	5,804,732	125,888,570
Allocation of reinsurance premiums	(123,735,434)	-	-	-	(79,472,675)	-	-	-	(203,208,109)
Amounts recoverable from reinsurers for incurred claims	-	3,063,958	112,290,359	665,695	-	(1,680,397)	42,264,468	2,050,125	158,654,208
Amounts recoverable for incurred claims and other expenses	-	-	135,524,871	4,029,971	-	-	74,321,790	4,030,844	217,907,476
Recovery/(losses) on onerous underlying contracts and adjustments	-	3,063,958	-	-	-	(1,680,397)	-	-	1,383,561
Changes to amounts recoverable for incurred claims	-	-	(23,234,512)	(3,364,276)	-	-	(32,057,322)	(1,980,719)	(60,636,829)
Net income or expense from reinsurance contracts held	(123,735,434)	3,063,958	112,290,359	665,695	(79,472,675)	(1,680,397)	42,264,468	2,050,125	(44,553,901)
Reinsurance finance income	-	-	12,218,649	101,341	-	-	10,141,824	359,901	22,821,715
Effect of changes in non-performance risk of reinsurers	-	-	(4,504,546)	-	-	-	2,627,194	-	(1,877,352)
Total changes in the statement of comprehensive income	(123,735,434)	3,063,958	120,004,462	767,036	(79,472,675)	(1,680,397)	55,033,486	2,410,026	(23,609,538)
Cash flows									
Premiums paid	202,794,151	-	-	-	213,910,785	-	-	-	416,704,936
Amounts received	-	-	(176,228,624)	-	-	-	(167,841,114)	-	(344,069,738)
Total cash flows	202,794,151	-	(176,228,624)	-	213,910,785	-	(167,841,114)	-	72,635,198
Net reinsurance contract assets/(liabilities) as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Reinsurance contract assets as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 31 December	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract assets/(liabilities) as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230

9 Insurance and reinsurance contracts (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Company's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Company's estimate of total liability for incurred claims for the years up to 2024.

Gross Insurance contract liabilities at 31 December 2024

	2016 and prior AED	2017 AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	**2024 AED**	**Total AED**
At the end of each reporting year	1,063,379,507	206,708,854	289,482,870	513,297,622	399,077,423	336,940,079	305,201,495	374,069,629	441,747,840	**441,747,840**
One year later	1,049,998,527	191,259,704	261,270,119	482,305,594	385,519,890	305,803,750	274,240,481	341,938,852	-	**341,938,852**
Two years later	1,047,623,817	186,630,620	255,518,050	501,177,149	383,412,064	298,506,099	271,671,896	-	-	**271,671,896**
Three years later	1,033,651,330	186,389,070	254,421,507	487,632,634	361,017,796	275,892,712	-	-	-	**275,892,712**
Four years later	1,031,214,261	185,210,124	253,471,505	390,269,413	359,368,451	-	-	-	-	**359,368,451**
Five years later	1,024,881,234	183,898,132	250,802,385	389,503,857	-	-	-	-	-	**389,503,857**
Six years later	1,022,784,257	178,989,230	250,100,685	-	-	-	-	-	-	**250,100,685**
Seven years later	911,653,578	178,510,230	-	-	-	-	-	-	-	**178,510,230**
Eight years later	912,124,523	-	-	-	-	-	-	-	-	**912,124,523**
Estimate of cumulative claims	912,124,523	178,510,230	250,100,685	389,503,857	359,368,451	275,892,712	271,671,896	341,938,852	441,747,840	**3,420,859,046**
Cumulative payments to date	(911,163,611)	(178,416,009)	(249,545,453)	(387,463,895)	(355,647,539)	(262,686,054)	(258,260,124)	(312,526,765)	(227,442,431)	**(3,143,151,881)**
Unallocated loss adjustment expense reserve	23,240	2,279	13,428	53,885	94,539	323,953	327,577	800,530	6,307,599	**7,947,030**
Claims receivable	70,175	6,881	40,548	162,712	330,355	3,704,766	1,135,349	1,683,927	15,729,813	**22,864,526**
Total gross undiscounted liabilities for incurred claims	1,054,327	103,381	609,208	2,256,559	4,145,806	17,235,377	14,874,698	31,896,544	236,342,821	**308,518,721**
Attributable expenses										**6,620,589**
Accrued payable										**11,434,910**
Effect of discounting										**(6,807,359)**
Total discounted gross reserves included in the statement of financial position	960,912	94,221	555,232	2,039,962	3,720,912	13,206,658	13,411,772	29,412,087	214,305,409	**319,766,861**
Risk Adjustments										**11,948,803**

9 Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2024

	2016 and prior AED	2017 AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year	718,231,329	113,561,285	125,097,160	267,264,348	229,561,512	158,645,424	177,133,830	171,226,992	175,693,824	**175,693,824**
One year later	721,240,889	105,199,030	112,608,458	256,386,377	224,471,018	153,057,798	167,647,611	166,725,820	-	**166,725,820**
Two years later	717,670,445	105,136,987	107,627,969	271,131,930	223,476,717	153,077,743	167,598,109	-	-	**167,598,109**
Three years later	713,922,637	100,585,664	107,566,657	259,069,664	222,004,134	151,366,375	-	-	-	**151,366,375**
Four years later	713,190,105	100,051,847	107,299,494	171,078,744	221,587,641	-	-	-	-	**221,587,641**
Five years later	711,856,838	99,535,024	106,527,746	168,915,423	-	-	-	-	-	**168,915,423**
Six years later	711,307,976	97,937,921	103,716,095	-	-	-	-	-	-	**103,716,095**
Seven years later	676,259,294	97,857,804	-	-	-	-	-	-	-	**97,857,804**
Eight years later	676,233,489	-	-	-	-	-	-	-	-	**676,233,489**
Estimate of cumulative claims	676,233,489	97,857,804	103,716,095	168,915,423	221,587,641	151,366,375	167,598,109	166,725,820	175,693,824	**1,929,694,580**
Cumulative payments to date	(676,176,244)	(97,839,121)	(103,565,143)	(167,976,136)	(220,427,034)	(148,728,532)	(163,372,924)	(158,028,746)	(117,322,105)	**(1,853,435,985)**
Unallocated loss adjustment expense reserve	23,240	2,279	13,428	53,885	94,539	323,953	327,577	800,530	6,307,599	**7,947,030**
Claim payable – net	(676,289)	(55,516)	(293,402)	(746,487)	(10,067,406)	(4,566,465)	(16,462,880)	(50,018,019)	(30,565,033)	**(113,451,497)**
Total net undiscounted liabilities for incurred claims	(595,804)	(34,554)	(129,022)	246,685	(8,812,260)	(1,604,669)	(11,910,118)	(40,520,415)	34,114,285	**(29,245,872)**
Attributable expenses										**6,620,589**
Accrued payable										**11,434,910**
Non-performance risk of reinsurers										**11,534,815**
Effect of discounting										**(757,126)**
Total discounted net reserves included in the statement of financial position	57,245	18,683	150,952	939,287	1,160,607	2,637,843	4,225,185	8,697,074	58,371,719	**(412,684)**
Net risk adjustments										**3,327,702**

10 Other receivables

	2024 AED	2023 AED
Accrual of interest and other income	**2,726,910**	1,063,049
Advances and prepayments	**3,603,433**	2,765,561
Other receivables	**8,223,079**	5,641,678
	14,553,422	9,470,288
Allowance for expected credit loss	**(4,944,756)**	(4,944,733)
	9,608,666	4,525,555

Other receivables pertain to an amount of AED 3.9 million (31 December 2023: AED 3.9 million) for the exposure to a foreign bank that does not meet the recognition and classification requirements of bank balances and fixed deposits.

Movement in the allowance for expected credit loss was as follows:

	2024 AED	2023 AED
Balance at the beginning of the year	**4,944,733**	2,751,057
Charge during the year	**23**	2,193,676
Balance at the end of the year	**4,944,756**	4,944,733

11 Cash and cash equivalents

	2024 AED	2023 AED
Cash in hand	**18,298**	23,186
Current accounts with banks	**97,489,967**	28,482,204
Fixed deposits with original maturities of three months or less	**20,000,000**	-
	117,508,265	28,505,390

12 Deposits

	2024 AED	2023 AED
Fixed deposits with original maturities greater than three months	**177,584,958**	243,474,313
Fixed deposits under lien	**864,147**	600,000
Allowance for expected credit loss	**(71,217)**	(122,537)
Total fixed deposits	**178,377,888**	243,951,776

Certain fixed deposits with carrying amount of AED 864,147 as at 31 December 2024 (31 December 2023: AED 600,000) are under lien against letters of guarantee amounting to AED 590,000 (31 December 2023: AED 550,000). The interest rates on fixed deposits with banks range between 4% to 5.6% per annum (31 December 2023: 3.25% to 5.65% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

12 Deposits (continued)

As of 31 December 2024, fixed deposits with original maturities greater than three months disclosed above include deposits amounting to AED 82,855,670 (31 December 2023: AED 61,989,754) which are pledged against bank borrowings.

Details of allowance for expected credit loss as per IFRS 9 were as follows:

	2024 AED	2023 AED
Balance at the beginning of the year	**122,537**	138,000
Reversal of expected credit loss during the year	**(51,320)**	(15,463)
Balance at the end of the year	**71,217**	122,537

All the bank balances and fixed deposits in scope of the expected credit loss model are in stage 1 and there have been no movements between the stages during the year.

13 Share capital

	2024 AED	2023 AED
Authorised, issued and fully paid: 121.275 million ordinary shares of AED 1 each	**121,275,000**	121,275,000

(31 December 2023: 121.275 million ordinary shares of AED 1 each)

14 Reserves

Statutory reserve

In accordance with the Companies Law, and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. Accordingly, during the year ended 31 December 2024, the Company transferred AED 1,543,864 to statutory reserves (31 December 2023: AED 1,454,118).

Voluntary reserve

As per the Company's Articles of Association, voluntary reserve can be created upon a recommendation of the Board of Directors and this reserve cannot be utilised for any other purpose unless approved by the Shareholders' General Assembly. No transfer to voluntary reserve was made during the year ended 31 December 2024 and 31 December 2023.

Reinsurance reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has transferred AED 1,391,048 to the 'Reinsurance Reserve' being 0.5% of the total insurance premium ceded to reinsurers during the year ended 31 December 2024 (year ended 31 December 2023: AED 1,093,105). The Company shall accumulate such provision year on year and shall not dispose of the reserve without the written approval of the Assistant Governor of the Banking and Insurance Supervision Department within CBUAE.

15 Provision for employees' end of service indemnity

	2024 AED	2023 AED
Balance at 1 January	**6,345,883**	6,256,759
Charge for the year	**1,094,838**	1,256,087
Payment during the year	**(680,093)**	(1,166,963)
Balance at 31 December	**6,760,628**	6,345,883

16 Bank borrowings

	2024 AED	2023 AED
Bank overdrafts	**74,911,911**	59,380,752

Overdraft facilities are secured against fixed deposit with carrying value of AED 82,855,670 (31 December 2023: AED 61,989,754). The overdraft carries an interest rate of 0.5% above the interest rate earned on the fixed deposits secured against the overdraft facilities and are repayable on demand.

17 Other payables

	2024 AED	2023 AED
Accrued expenses	**2,001,972**	6,443,127
Other payable balances	**2,333,622**	973,161
Due to related parties	**1,342,035**	4,113,408
Payables to suppliers	**663,100**	555,939
	6,340,729	12,085,635

Accrued expenses relate to amounts incurred in the normal course of business such as fees payable to regulators and other professionals.

18 Deferred taxation

	2024 AED	2023 AED
Deferred tax arising in respect of:		
Recognised in OCI:		
Net change in fair value of debt securities designated at FVTOCI	**(148,405)**	-

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	Net balance at 1 January 2024 AED	Recognised in profit or loss AED	Recognised in other comprehensive income AED	Net balance at 31 December 2024 AED
Deferred tax liability	-	-	(148,405)	(148,405)

19 Income tax expense

	2024 AED	2023 AED
Income statement:		
Current tax	(1,487,606)	-
Statement of comprehensive income		
Current tax	(38,562)	-
Deferred tax	(148,405)	-

Relationship between tax expense and accounting profit:

	2024 AED	2023 AED
Profit for the year before taxation	16,926,245	-
Basic exemption limit	(375,000)	-
Tax applicable profit	16,551,245	-
Tax at the applicable rate of 9%	(1,489,612)	-
Effect of items that are not considered in determining taxable income - net		
Exempt income	19,475	-
Non-deductible expenses	(17,469)	-
Income tax expense	(1,487,606)	-
Profit for the year after taxation	15,438,639	-

20 Insurance service expenses

	Life and Medical AED	General and Motor AED	Total AED
For the year ended 31 December 2024			
Incurred claims and other expenses	247,319,667	316,952,818	564,272,485
Amortisation of insurance acquisition cash flows	31,040,203	52,622,454	83,662,657
(Reversal)/losses on onerous contracts	(5,094,149)	4,226,867	(867,282)
Changes to liabilities for incurred claims	(64,553,806)	(103,299,034)	(167,852,840)
	208,711,915	270,503,105	479,215,020
For the year ended 31 December 2023			
Incurred claims and other expenses	290,945,076	143,005,477	433,950,553
Amortisation of insurance acquisition cash flows	36,078,905	38,565,009	74,643,914
(Reversal)/losses on onerous contracts	5,933,786	(5,267,649)	666,137
Changes to liabilities for incurred claims	(46,465,737)	(43,354,169)	(89,819,906)
	286,492,030	132,948,668	419,440,698

21 Total investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance financial result recognised in profit or loss and OCI in the year:

For the year ended 31 December 2024	Life and Medical	General and Motor	Total
	AED	AED	AED
Investment income - net			
Amounts recognised in the profit or loss			
Interest income	4,850,202	11,671,303	16,521,505
Dividend income from financial investments	-	216,396	216,396
Impairment losses on financial investments at FVTOCI	-	(230,676)	(230,676)
Other income	62,905	31,349	94,254
	4,913,107	11,688,372	16,601,479
Insurance finance income/(expense) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(3,328,894)	(10,396,752)	(13,725,646)
Due to changes in interest rates and other financial assumptions	64,771	12,928	77,699
Total insurance finance expense from insurance contracts issued	(3,264,123)	(10,383,824)	(13,647,947)
Reinsurance finance income/(expense) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	5,578,866	8,645,322	14,224,188
Changes in non-performance risk of reinsurer	(3,294,350)	2,333,391	(960,959)
Due to changes in interest rates and other financial assumptions	(101,410)	131,084	29,674
Reinsurance finance income from reinsurance contracts held	2,183,106	11,109,797	13,292,903
Net insurance finance (expense)/income	(1,081,017)	725,973	(355,044)

21 Total investment income and net insurance financial result (continued)

The table below presents an analysis of total investment income and insurance financial result recognised in profit or loss and OCI in the year:

For the year ended 31 December 2023	Life and Medical AED	General and Motor AED	Total AED
Investment income - net			
Amounts recognised in the profit or loss			
Interest income	4,792,379	9,477,315	14,269,694
Dividend income from financial investments	-	239,866	239,866
Realised gain on disposal of financial investments at FVTPL	-	864,540	864,540
Impairment losses on financial investments at FVTOCI	-	(479,118)	(479,118)
Other income	-	8,400	8,400
	4,792,379	10,111,003	14,903,382
Insurance finance income/ (expense) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(3,562,616)	(6,768,598)	(10,331,214)
Due to changes in interest rates and other financial assumptions	54,512	(33,285)	21,227
Total insurance finance expense from insurance contracts issued	(3,508,104)	(6,801,883)	(10,309,987)
Reinsurance finance income/ (expense) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	12,774,167	10,818,922	23,593,089
Changes in non-performance risk of reinsurer	998,400	(2,875,752)	(1,877,352)
Due to changes in interest rates and other financial assumptions	(454,177)	(317,197)	(771,374)
Reinsurance finance expense from reinsurance contracts held	13,318,390	7,625,973	20,944,363
Net insurance finance income	9,810,286	824,090	10,634,376

22 Social contributions

Social contributions during the year ended 31 December 2024 amounted to AED 8,700 (31 December 2023: AED 15,281).

23 Basic and diluted earnings per share

	2024	2023
Profit for the year after tax (in AED)	**15,438,639**	14,541,174
Number of shares	**121,275,000**	121,275,000
Basic and diluted earnings per share after tax (in AED)	**0.13**	0.12

Basic earnings per share is calculated by dividing the profit for the year by the number of weighted average shares outstanding during the reporting year. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

24 Related party balances and transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party. Related parties include the Company's major shareholders, directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel. The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting year, amounts due from/to related parties were as follows:

	2024 AED	2023 AED
Due from related parties		
Due from Parent Company (insurance contract liabilities)	**1,726,948**	18,640,376
Due from Directors (insurance contract liabilities)	**200,602**	1,093
Due from other related parties under common control (insurance contract liabilities)	**28,638,058**	10,160,171
	30,565,608	28,801,640
Due to related parties		
Due to Parent company (other payables)	**(1,773,553)**	(4,113,407)

Balances receivables from related parties are interest free and repayable on demand.

	2024 AED	2023 AED
Balances		
Fixed deposits placed with Parent company	**109,484,594**	119,797,824
Bank balances placed with Parent company	**21,577,467**	17,505,602
Bank borrowing from Parent company	**(49,999,009)**	-

24 Related party balances and transactions (continued)

During the year, the Company entered the following transactions with related parties:

	2024 AED	2023 AED
Insurance revenue (Parent company)	**126,036,036**	121,284,186
Insurance revenue (Directors)	**118,335**	82,150
Insurance revenue (other related parties)	**82,159,719**	46,629,211
Insurance service expenses (Parent company)	**(69,505,678)**	(63,570,845)
Insurance service expenses (Directors)	**(42,956)**	(384,294)
Insurance service expenses (other related parties)	**(48,753,849)**	(44,090,114)
Other expenses (Parent company)	**(1,957,325)**	(3,929,816)
Investment income (Parent company)	**4,671,013**	6,130,498

During the year ended 31 December 2024, the Company has purchased financial assets at AED 96.5 million (31 December 2023: AED 22.7 million) and no financial assets were sold (31 December 2023: 1.9 million) through the Parent company / from other related parties.

Key management personnel compensation

	2024 AED	2023 AED
Board of Directors' remuneration	**1,141,979**	1,402,269
Short-term benefits	**5,757,434**	6,794,571
Long-term benefits	**284,378**	313,694
	7,183,791	8,510,534

25 Other operating expenses

	2024 AED	2023 AED
Professional fees	**5,266,958**	3,817,777
Staff cost	**3,652,051**	3,523,656
Information technology	**2,008,151**	1,594,942
Board of Directors' remuneration	**1,141,979**	1,402,269
Amortisation of intangible assets	**691,673**	651,157
Rental costs – operating leases	**399,432**	403,282
Communication expenses	**275,997**	263,050
Depreciation of property and equipment & write off	**157,203**	371,032
Utilities and maintenance	**100,655**	79,740
Administration expenses	**79,016**	74,328
Travel and entertainment expenses	**44,593**	43,567
Bank charges	**39,191**	38,679
Provision for bad debt	**36,229**	1,989,994
License expenses and membership fees	**23,841**	28,544
Marketing expenses	**11,167**	4,536
	13,928,136	14,286,553

Other operating expenses relate to items that do not form part of insurance service result.

26 Other underwriting income

Other underwriting income includes admin fee earned for Credit Islamic Business on fronting arrangements with other insurance companies in the UAE.

27 Contingent liabilities

	2024 AED	2023 AED
Letters of guarantee	**10,605,000**	10,567,410

Letters of guarantee includes AED 10 million (31 December 2023: AED 10 million) issued in favour of the CBUAE . The above guarantees were issued in the normal course of business. The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

28 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company writes the general, medical and life insurance contracts. General insurance contracts of the Company include Liability, Property, Motor, Fire, Marine and Engineering insurance contracts. Medical insurance contracts include both individual and group medical insurance contracts. Life insurance contracts include group, retail and credit life insurance contracts.

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit and Risk Committee is assisted in its oversight role by Internal Audit and Risk functions.

Two key elements of the Company's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed on the next page.

28 Insurance risk (continued)

Underwriting strategy

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources.

Ceded reinsurance contains credit risk, as discussed in the financial risk management note. The Company has a Reinsurance department that is responsible for setting the minimum security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The department monitors developments in the reinsurance programme and its ongoing adequacy.

The Company enters into a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances.

Frequency and severity of claims

The Company manages insurance risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria, as well as the use of reinsurance arrangements.

The Company has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim for both short and long-term insurance contracts. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

The reinsurance arrangements include excess of loss and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set limit of AED 700,000 per vehicle/event for motor insurance and AED 100,000 per member for medical insurance class of business in any policy (2023: AED 700,000 for motor insurance and AED 100,000 for medical insurance). Similarly, net loss retained for general lines of business will not exceed AED 2,250,000 and for event loss AED 4,500,000 (2023: net loss retained for business will not exceed 2,250,000 and for event loss AED 4,500,000). In addition to the overall Company reinsurance program, business units are permitted to purchase additional facultative reinsurance protection, if needed.

28 Insurance risk (continued)

Frequency and severity of claims (continued)

The following tables disclose the concentration of insurance liabilities by line of business. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from the insurance contracts:

	As at 31 December 2024		
	Gross AED	Reinsurance AED	Net AED
Life and Medical	108,675,562	(24,921,036)	83,754,526
Motor and General	370,918,036	(178,737,119)	192,180,917
	479,593,598	(203,658,155)	275,935,443

	As at 31 December 2023		
	Gross AED	Reinsurance AED	Net AED
Life and Medical	148,209,844	(75,255,080)	72,954,764
Motor and General	216,460,448	(99,659,150)	116,801,298
	364,670,292	(174,914,230)	189,756,062

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until several months, quarters & sometimes years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. The Company involved an independent external actuary as well if deemed necessary. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing some claims provisions, it is possible that the final outcome will prove to be different from the original liability established.

28 Insurance risk (continued)

Sources of uncertainty in the estimation of future claim payments (continued)

The amount of insurance claims is in some cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are based on Actuarial calculation which can be based purely on historical development of claims or Expected Loss Ratios or a combination of both. The method and weightage are based on the merit of the line of business. The Expected Loss-Ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The initial estimate of the loss ratios used for the current year before and after reinsurance are analysed below by line of business where the insured operates for current and prior year premium earned.

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Gross loss ratio	**Net loss ratio**	Gross loss ratio	Net loss ratio
Motor	**106%**	**85%**	67%	67%
Marine and aviation	**12%**	**7%**	7%	3%
Medical	**79%**	**72%**	104%	88%
Life	**15%**	**2%**	18%	2%
Engineering, fire, general accidents and others	**95%**	**66%**	59%	40%

The Company believes that the claim liabilities under insurance contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact insurance service expenses as follows:

	For the year ended 31 December	
	2024	2023
	AED	AED
Impact of change in loss ratio by +/- 1%		
Medical	**1,054,804**	1,147,102
Motor	**910,476**	327,895
Engineering, fire, general accidents and others	**186,830**	96,696
Life	**420,752**	11,722
Marine and aviation	**12,234**	412
	2,585,096	1,583,827

28 Insurance risk (continued)

Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Company uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Company has reviewed the individual contracts and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market- based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that a weighted average of different techniques have been selected for individual accident years or groups of accident years within the same class of business. The Company has an internal actuary and independent external actuaries are also involved in the valuation of technical reserves of the Company and has used historical data for the past 9 years.

The Company did not change its assumptions for the valuation of the insurance contract liabilities during the year other than those disclosed.

Concentration of insurance risk

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company primarily deals with reputed counter parties and monitors the receivable position from these parties on a regular basis.

29 Capital risk management

The Company's objectives when managing capital, which the Company considers to be the equity as shown in the statement of financial position, are:

- to comply with the insurance capital requirements required by UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations;
- to protect its policyholders' interests;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In the UAE, the CBUAE specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

The table below summarises the minimum required capital of the Company and the total capital held.

	As at 31 December	
	2024	2023
	AED	AED
Total capital held	**121,275,000**	121,275,000
Minimum regulatory capital	**100,000,000**	100,000,000

The CBUAE has issued resolution no. 42 for 2009 setting the minimum subscribed or paid up capital of AED 100 million for establishing insurance companies and AED 250 million for reinsurance companies. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies. The Company is in compliance with these rules.

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the year. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	2024	2023
	AED	AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**88,794,091**	68,817,200
Minimum Guarantee Fund (MGF)	**68,521,539**	69,303,442
Basic Own Funds	**142,975,622**	139,201,083
MCR Solvency Margin - Minimum Capital Requirement surplus	**42,975,622**	39,201,083
SCR Solvency Margin - Solvency Capital Requirement surplus	**54,181,531**	70,383,882
MGF Solvency Margin – Minimum Guarantee Fund surplus	**74,454,083**	69,897,640

30 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 the fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.
- Level 2 the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in Level 2.
- Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using the same valuation techniques and assumptions as those used for the year ended 31 December 2023.

Fair value of the Company's financial assets that are measured at fair value on recurring basis

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at 31 December 2024 AED	Fair value as at 31 December 2023 AED	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
FVTOCI:						
Quoted Debt securities	**218,484,146**	131,348,329	Level 1	Quoted bid prices in an active market	None	N/A
Quoted equity securities	**4,033,534**	3,835,742	Level 1	Quoted bid prices in an active market	None	N/A

There were no transfers between levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

31 Financial risk

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are market risk (which includes: foreign currency risk, equity and debt price risk and interest rate risk), credit risk, liquidity risk and operational risk.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks may arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

There are no significant exchange rate risks as all monetary assets and monetary liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Company has not hedged its foreign currency exposure.

Equity and debt price risk

Equity and debt price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to equity and debt price risk with respect to its quoted equity and debt investments. The Company limits equity and debt price risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Company actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

At the end of the reporting period, if the equity and debt prices are 10% higher / lower as per the assumptions mentioned below and all the other variables were held constant, the Company's other comprehensive income for the year ended 31 December 2024 would have increased by AED 22,251,768 (year ended 31 December 2023: AED 13,518,407).

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity and debt price risk as at the end of the reporting period.
- As at the end of the reporting period if equity and debt prices are 10% higher / lower on the market value uniformly for all equity and debt while all other variables are held constant, the impact on profit and other comprehensive income for the year has been shown above.
- A 10% change in equity and debt prices has been used to give a realistic assessment as a plausible event.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Company. The Company is not significantly exposed to interest rate risk on its financial investments in debt instruments and term deposits since they carry fixed interest rates. As such, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

31 Financial risk (continued)

Interest rate risk (continued)

The Company generally manages to minimise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The Company is exposed to interest rate risk on:

(i) Liability for incurred claims; and
(ii) Asset for incurred claims.

The below tables show the impact of 1% change in risk adjustment and discounting on liability for incurred claims and assets for incurred claims:

31 December 2024

	Impact on profit gross of reinsurance	Impact on profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
	AED	**AED**	**AED**	**AED**
Risk Adjustment				
1% increase	**(3,377,459)**	**(1,235,804)**	**(3,377,459)**	**(1,235,804)**
1% decrease	**(3,377,459)**	**(1,235,804)**	**(3,377,459)**	**(1,235,804)**
Discounting				
1% increase	**1,596,923**	**318,633**	**1,596,923**	**318,633**
1% decrease	**(1,618,683)**	**(328,719)**	**(1,618,683)**	**(328,719)**

31 December 2023

	Impact on profit gross of reinsurance	Impact on profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
	AED	AED	AED	AED
Risk adjustment				
1% increase	(2,581,383)	(908,511)	(2,581,383)	(908,511)
1% decrease	2,581,383	908,511	2,581,383	908,511
Discounting				
1% increase	1,182,864	(43,898)	1,182,864	(43,898)
1% decrease	(1,195,762)	41,362	(1,195,762)	41,362

31 Financial risk (continued)

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Key areas where the Company is exposed to credit risk are:

- reinsurance contract assets;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries;
- amounts due from other insurance companies;
- investments in debt instruments;
- cash and cash equivalents excluding cash in hand; and
- fixed deposits

The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for expected credit loss on insurance and other receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are mitigated by ongoing credit evaluation of their financial condition. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss losses, represents the Company's maximum exposure to credit risk.

For insurance and other receivables, the Company applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss provision for insurance and other receivables. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions.

Of the bank balances and fixed deposits balance at the end of year, AED 121 million (2023: AED 137 million) is placed with one bank. The credit risk on liquid funds is limited because the single largest counterparty is a UAE sovereign bank.

31 Financial risk (continued)

Credit risk (continued)

The table below presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting period based on Moody's rating or its equivalent for the main banking relationships:

	As at 31 December	
	2024	2023
	AED	AED
Aa3	**75,689,702**	282,937
A1	**1,189**	1,189
A3	**66,344,094**	6,239
Baa1	**163,758,269**	255,526,226
Ba1	**92,899**	26,640,575
	305,886,153	282,457,166

The Company's financial assets at FVTOCI are held across various countries. The table below presents an analysis of financial assets at FVTOCI by rating agency designation at the end of the reporting period based on Moody's rating or its equivalent:

	As at 31 December	
	2024	2023
	AED	AED
Aa2	**35,507,140**	20,476,972
Aa3	**49,615,491**	5,491,499
A1	**14,218,518**	10,897,732
A2	**20,626,041**	9,674,938
A3	**24,044,257**	15,508,942
Baa1	**15,734,078**	15,588,575
Baa3	**-**	138,632
Ba1	**34,689,347**	31,647,883
Ba2	**-**	6,723,490
B1	**21,270,595**	12,286,112
Not rated	**6,812,213**	6,749,296
	222,517,680	135,184,071

All the Company's debt investments measured at fair value through other comprehensive income are considered to have low credit risk, and the charge recognised during the year was therefore limited to 12 months' expected losses. A 10% increase / (decrease) in the probability of default and loss given default estimates as at 31 December 2024 would result in an increase / (decrease) of AED 88,077 (2023: increase / (decrease) of AED 68,302) in total expected credit loss allowances on FVTOCI investments, bank balances and fixed deposits.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities to ensure that funds are available to meet its commitments for liabilities as they fall due.

31 Financial risk (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial assets, financial liabilities, insurance contract liabilities and reinsurance contracts assets held. The maturity analysis has been presented on a contractual undiscounted cash flow basis except for insurance contract liabilities and reinsurance contract assets held which have been presented on their expected cash flows.

The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	Less than 1 year AED	1-5 years AED	5+ years AED	No maturity AED	Total AED
31 December 2024					
Financial assets					
FVTOCI investments – debt	**11,673,150**	**118,996,157**	**87,814,839**	**-**	**218,484,146**
FVTOCI investments – equity	**-**	**-**	**-**	**4,033,534**	**4,033,534**
Statutory deposit	**-**	**-**	**-**	**10,000,000**	**10,000,000**
Other receivables (excluding advances and prepayments)	**3,362,463**	**1,456,979**	**1,185,791**	**-**	**6,005,233**
Deposits	**168,010,091**	**10,367,797**	**-**	**-**	**178,377,888**
Cash and cash equivalents	**117,508,265**	**-**	**-**	**-**	**117,508,265**
	300,553,969	**130,820,933**	**89,000,630**	**14,033,534**	**534,409,066**
Financial liabilities					
Bank borrowings	**74,911,911**	**-**	**-**	**-**	**74,911,911**
Other payables (excluding accrued expenses)	**4,338,757**	**-**	**-**	**-**	**4,338,757**
	79,250,668	**-**	**-**	**-**	**79,250,668**
31 December 2023					
Financial assets					
FVTOCI investments – debt	58,643,868	10,380,090	62,324,371	-	131,348,329
FVTOCI investments – equity	-	-	-	3,835,742	3,835,742
Statutory deposit	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	1,759,994	-	-	-	1,759,994
Bank balances and fixed deposits	194,497,309	49,454,467	-	-	243,951,776
Cash and cash equivalents	28,505,390	-	-	-	28,505,390
	283,406,561	59,834,557	62,324,371	13,835,742	419,401,231
Financial liabilities					
Bank borrowings	59,380,752	-	-	-	59,380,752
Other payables (excluding accrued expenses)	5,642,508	-	-	-	5,642,508
	65,023,260	-	-	-	65,023,260

31 Financial risk (continued)

Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
31 December 2024				
Reinsurance contract assets	**129,076,421**	**99,616,130**	**2,885,702**	**231,578,253**
Insurance contract liabilities	**329,626,174**	**144,018,836**	**5,948,588**	**479,593,598**
Reinsurance contract liabilities	**12,883,268**	**15,036,830**	**-**	**27,920,098**
	342,509,442	**159,055,666**	**5,948,588**	**507,513,696**

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
31 December 2023				
Reinsurance contract assets	106,089,739	68,132,049	2,090,698	176,312,486
Insurance contract liabilities	260,403,343	101,462,579	2,804,370	364,670,292
Reinsurance contract liabilities	1,398,256	-	-	1,398,256
	261,801,599	101,462,579	2,804,370	366,068,548

Operational risk

Operational risk is the risk of loss arising from system failures, human error, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorisation, and reconciliation procedures, staff education and assessment processes.

32 Segment information

The Company is organised into two segments: Life and Medical as one segment and Motor and General as the other segment.

These segments are the basis on which the Company reports its primary segment information to the Chief Executive Officer. Insurance revenue represent the total income arising from insurance contracts. The Company does not conduct any business outside the UAE. There are no transactions between the business segments.

The following is an analysis of the Company's income statement classified by major segments:

	For the year ended 31 December 2024		
	Life and Medical AED	Motor and General AED	Total AED
Insurance revenue	289,534,391	214,530,209	504,064,600
Insurance service expenses	(208,711,915)	(270,503,105)	(479,215,020)
Insurance service result before reinsurance contracts held	80,822,476	(55,972,896)	24,849,580
Allocation of reinsurance premiums	(115,741,938)	(98,942,242)	(214,684,180)
Amounts recoverable from reinsurance	84,378,169	116,746,737	201,124,906
Net (expenses)/income from reinsurance contracts held	(31,363,769)	17,804,495	(13,559,274)
Investment income - net	4,913,107	11,688,372	16,601,479
Finance expenses from insurance contracts issued	(3,264,123)	(10,383,824)	(13,647,947)
Finance income from reinsurance contracts held	2,183,106	11,109,797	13,292,903
Net insurance finance (expense)/income	(1,081,017)	725,973	(355,044)
Other operating expenses	(6,739,569)	(7,188,567)	(13,928,136)
Other underwriting income	3,317,640	-	3,317,640
Profit / (loss) for the year before tax	49,868,868	(32,942,623)	16,926,245

32 Segment information (continued)

	For the year ended 31 December 2023		
	Life and Medical AED	Motor and General AED	Total AED
Insurance revenue	304,305,933	160,067,246	464,373,179
Insurance service expenses	(286,716,216)	(132,948,673)	(419,664,889)
Insurance service result before reinsurance contracts held	17,589,717	27,118,573	44,708,290
Allocation of reinsurance premiums	(123,735,434)	(79,472,675)	(203,208,109)
Amounts recoverable from reinsurance	116,020,006	42,634,202	158,654,208
Net expenses from reinsurance contracts held	(7,715,428)	(36,838,473)	(44,553,901)
Investment income - net	4,792,379	10,111,003	14,903,382
Finance expenses from insurance contracts issued	(3,508,104)	(6,801,883)	(10,309,987)
Finance income from reinsurance contracts held	13,318,390	7,625,973	20,944,363
Net insurance finance income	9,810,286	824,090	10,634,376
Other operating expenses	(6,734,426)	(7,552,127)	(14,286,553)
Other underwriting income	3,135,580	-	3,135,580
Profit / (loss) for the year	20,878,108	(6,336,934)	14,541,174

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

	As at 31 December 2024		
	Life and Medical AED	**Motor and General AED**	**Total AED**
Total assets	**236,897,908**	**537,185,312**	**774,083,220**
Total equity	**42,615,705**	**134,265,978**	**176,881,683**
Total liabilities	**194,282,203**	**402,919,334**	**597,201,537**

	As at 31 December 2023		
	Life and Medical AED	Motor and General AED	Total AED
Total assets	194,977,156	408,456,264	603,433,420
Total equity	(1,936,594)	161,489,196	159,552,602
Total liabilities	196,913,750	246,967,068	443,880,818

32 Segment information (continued)

Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

31 December 2024	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	**97,844,849**	-	**165,244,752**	**299,543,719**	**562,633,319**
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	-	**37,967**	**37,967**
Total Assumed Business	-	-	-	**37,967**	**37,967**
Gross Written Premiums	**97,844,849**	-	**165,244,752**	**299,581,686**	**562,671,286**

31 December 2023	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	91,804,827	-	197,457,096	182,448,375	471,710,298
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	-	72,369	72,369
Total Assumed Business	-	-	-	72,369	72,369
Gross Written Premiums	91,804,827	-	197,457,096	182,520,744	471,782,667

33 Dividend and Directors' remuneration

At the Annual General Meeting held on 21 March 2024, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the board committees for the year ended 31 December 2023. (At the Annual General Meeting held on 12 April 2023, the shareholders approved not paying a dividend or Board of Directors' remuneration for the year ended 31 December 2022).

34 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements as at and for the year ended 31 December 2024.

35 Approval of the financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 22 January 2025.

36 Comparatives

Certain prior period amounts have been updated to conform to current period's presentation. Such regrouping did not affect previously reported profit for the year or equity.